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RURAL AREAS DEVELOPMENT

newsletter

March 1962

No. 41

*We must show the
world what a
free economy can do
...to put unused
capacity to work,
spur new
productivity and
foster higher
economic growth.
President Kennedy.*

PRESIDENT CALLS FOR 'RURAL RENEWAL'

• President Kennedy, in his farm message to Congress in January 1962, said: "In some rural areas the general level of economic activity and family income is so low, and the lack of community facilities so acute, that a complete new development operation is the only sensible solution -- a program of rural renewal."



This is the same type of program, which Secretary of Agriculture Orville L. Freeman, suggested in Newsletter 40. The President said the program is needed to supplement Rural Areas Development in the areas plagued most severely with low income, inadequate resources, loss of population, and declining public services.

A complete rural renewal program could help the people of these areas to enlarge family farms; to improve soil, water and related resources; to find new and paying uses for land and water, including hunting, fishing, and other outdoor public recreation; to bring in industries; and to develop community services such as clinics, water systems, and community centers.

ADVISORY GROUP RECOMMENDS USDA TRAINING STUDY

• The National Public Advisory Committee on Rural Areas Development, meeting in Washington February 19-20, recommended that the Department of Agriculture undertake a study of the education and training needs of rural people.

Chairman Clarence J. McCormick, Vincennes, Ind., reported: "The study would then present us with a complete picture of what is needed to adequately train rural people that they may take advantage of the new economic opportunities now being developed in rural America, through the Rural Areas Development program."



U. S. DEPARTMENT OF AGRICULTURE
OFFICE OF INFORMATION, WASHINGTON 25, D. C.



Growth Through Agricultural Progress

The 33-member public advisory committee heard Brook Hays, special assistant to the President say: "It is the policy of the Federal Government to do something to eliminate the islands of poverty in this country, rural as well as urban."



Hays informed the group that the President supports the aims and efforts of the Rural Areas Development program as one means of dealing with the rural poverty problem.

The RAD advisory committee voted to divide itself into six subcommittees to delve into particular problems, pertinent to an overall Rural Areas Development program.

These subcommittees will review the problems and action programs concerned in the particular fields, and will present their tentative recommendations to the full RAD committee for its consideration at its next meeting, scheduled for May 28-29, here in Washington.

The subcommittees are: Area Planning and Rural Renewal; Industrial and Commercial Enterprises; Group and Public Facilities; Aged, Dependent, Handicapped and Farm Labor; Recreation; and Education and Training.

PROVIDING MORE JOBS FOR PEOPLE

- Area Redevelopment Administration and Small Business Administration combined financial assistance to aid a meat packing firm in Demopolis, Alabama, to expand. This will result in 58 direct new jobs, plus an estimated 100 to 200 indirect jobs with suppliers in the area.



Demopolis is part of the Marengo County Redevelopment Area, which was declared eligible to participate in the ARA program because of low family income, low farm income and low production farming. It had been recommended and approved by Agriculture. SBA lent \$200,000. ARA lent \$145,685. The local development corporation, invested \$24,871.

- ARA also approved a \$432,000 industrial loan in Biddleford, Maine, to launch a new lumber processing operation, which when completed will provide 170 permanent new fulltime jobs within a year, and 320 jobs within 18 months.

Forest Service, USDA, investigated the feasibility of the new process and its suitability for operation in the New England area.

The Forest Service study said the process was highly satisfactory, and that it would thrive in the area. Company officials estimate the firm will utilize 50 million board feet of white pine annually from the Maine-New Hampshire area.

SECRETARY HAILS FHA LOAN AS RAD

- Farmers Home Administration approved a \$180,000 soil and water association loan to the New Market Utility District, Jefferson County, Tenn., which will help provide water in the New Market community. A total of 240 farm and rural families and private businesses are expected to benefit from the loan.

Secretary Freeman hailed the loan as "a prime example of how adequate credit accompanied by technical assistance can help a rural community strengthen its economy and provide a more favorable and healthful environment for its families."



The New Market Utility District, with FHA loan funds and \$20,000 contributed by the borrow-members, will provide sanitary water for household, livestock and business uses. It will use the FHA loan funds to pay for pumps, water lines, a water supply reservoir, water meters, engineering, legal and labor costs.

The new water system will replace individual wells, 80 percent of which the Tennessee State Department of Health found polluted. Several cases of hepatitis and one recent case of typhoid fever have been directly traced to impure water supplies.

The Farmers Home Administration loan is to be repaid over a period of 40 years with a 4.5 percent interest rate.

Association loans of this type are available to organizations operating on a non-profit basis, such as irrigation, drainage and water supply districts, cooperative water users' associations, mutual water companies, soil conservation districts, and municipalities.

Loans may be made in amounts up to \$500,000 when funds appropriated by Congress are used and \$1 million when funds are provided by private lenders and insured by Farmers Home Administration. So far in fiscal 1962, the Farmers Home Administration has made 34 association loans totaling \$4,059,314.

SBA, REA AND ELECTRIC CO-OP HELP PROVIDE JOBS

• An electric cooperative in Idaho will use \$50,000 in REA section 5 loan funds to help restore an industrial payroll in its service area in nearby Montana. These funds, coupled with a \$225,000 loan from Small Business Administration, plus a \$25,000 loan from a local bank, will make possible 50 fulltime jobs. In addition, extra income will be provided for 120 tree farmers in the area.



The cooperative, Northern Lights, Inc., of Sandpoint, Idaho, requested that REA approve use of the previously-approved section 5 funds for this rural areas development project. The money will be lent to the wood products company to finance electrically-operated equipment

in the company's sawmill at Trout Creek, Montana.

The REA loan will be used to purchase machinery for removing bark from logs and for the producing, processing, and loading in rail cars the wood chips produced from sawmill residue.

The electric cooperative negotiated a five-year loan repayment contract with the lumber company. This loan was part of section 5 funds, approved to the Idaho co-op in October, 1958, for other uses. REA merely authorized the co-op to use a portion of the funds for rural areas development work to help stimulate the lagging economy in the co-op's service area.

APPROVE TWENTY-THREE MORE ARA AREAS

• Twenty-three more predominately rural areas were designated as eligible to participate in the Area Redevelopment Administration program. Designation is the first step toward the use of Federal resources to relieve the problems of unemployment and underemployment. This brings to 706 the number of rural areas now designated by ARA.

In order to receive such assistance, Dr. Turley Mace, Director of the USDA's Office of Rural Areas Development said, "The eligible areas must first prepare Overall Economic Development Programs and gain approval of these from State and Federal officials.

"Once these long-range plans have been approved, consideration can then be given to requests for financial assistance on projects aimed at creating permanent new employment opportunities."

PUBLICATIONS USEFUL TO RURAL AREAS DEVELOPMENT

Coming soon Two RAD publications --

• "Rural Areas Development -- revitalizing America today", is the title of the Office of Information, Department of Agriculture's new leaflet, which describes RAD, its aims and purposes, and how it operates nationwide.



• "Rural Areas Development Handbook". This describes in summary form the many helpful aids -- technical and financial -- available in and outside of government, which may be of use to local area development committees.

• Now available -- "Forests in Rural Areas Development", a special leaflet describing multiple use opportunities that are found on privately-owned forest lands of America. The folder urges all area development groups to give the area's forest land resources full consideration in their development plans. This leaflet is available from the Office of Information, Rural Areas Development Newsletter Editor, U. S. Department of Agriculture, Washington 25, D. C.

• The March issue of "Soil Conservation" contains stories about recreation potentials in watershed and soil conservation projects. It is available in single copies from Soil Conservation Service, U. S. Department of Agriculture, Washington 25, D. C.

• "Can Rural Areas Development Help Your Community?" is Federal Extension Service's RAD leaflet. It deals with such important subjects as how to get the RAD program moving, who might be on the local committee, inventorying the local situation, and where to get help. It is available from county extension agents or from the Office of Information, Rural Areas Development Newsletter Editor, U. S. Department of Agriculture, Washington 25, D. C.